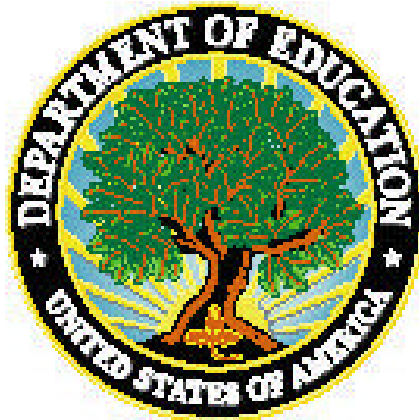AC Andersen Consulting

SFA Modernization Partner Project
LEGACY CONTRACT
TRANSITION PLAN

Central Data System (CDS)

Part 3
Recommendation and Timetable
For Transition Plan for CDS

Recommendation:

The U.S. Department of Education (ED) should seek a sole source, eight (8) month extension, through May 31, 2001, (with one additional six month option period) for ACS's current contract. This contract extension would fulfill requirements for software maintenance and for operational and technical expertise for the Central Data System (CDS). The CDS is at the center of a larger system designed to deliver billions of dollars of Federal financial assistance to students pursuing their post-secondary education.

The proposed extension is a follow-on contract for continued technical assistance and software support for the CDS. A new solicitation and the award of a new contract for CDS services at this time would result in substantial disruption in the services provided under CDS. A disruption in services would have a nation-wide impact, resulting in the failure to adequately service over 5 million students receiving approximately $60 billion in student aid. Student Financial Assistance (SFA) is developing a modernization plan that will affect all systems in SFA, including CDS. SFA recently awarded a contract to Andersen Consulting to serve as a Modernization Partner to assist in the final development and implementation of the modernization plan. Andersen Consulting has identified 23 major initiatives to be included in the implementation of the modernization plan which will result in major changes to all of the existing (legacy) systems within SFA.

Andersen Consulting (AC), as the Modernization Partner, has identified 23 initiatives which it has recommended that SFA execute. In the architecture being proposed by the Modernization Partner, there is a 3 tiered initiative being recommended for retiring CDS: 1) eliminate redundant or non-essential functions; 2) migrate some functions "Upstream" to other SFA systems; and 3) migrate other functions "Downstream" to the DLSS. AC estimates that this may be accomplished by November 2000, at the earliest. Because the current contract expires September 30, 2000, a sole source extension to the existing contract will be needed to continue to maintain service. Negotiations should begin as soon as possible because the CDS portion of the existing contract expires September 30, 2000.

The current initiative will drastically reduce inter-system edits, while continuing to support the same set of business objectives at reduced processing and maintenance costs. The proposed approach would retire the following 5 (of 12) main CDS processes because of duplication with other Direct Loan systems:

- Edits
- Transaction Routing
- ICR Waivers
- System Balancing
- LO/LS Images

Source Selection Information – See FAR 3.104

The remaining seven processes would be migrated to other systems as follows:

- Order of Incoming Transactions (Direct Loan Servicing System)
- Data Stores and Transformation (Direct Loan Servicing System)
- EDA (Direct Loan Servicing System)
- Routing LO/LC Cash Transactions and Drawdowns (Direct Loan Servicing System)
- Interface Support (Direct Loan Servicing System)
- School File Updates and maintenance (Loan Origination System)
- Delinquency Reporting (Data Warehouse)

See timeline attached.